



National Health Care Reform is Good for the Commonwealth

HEALTH CARE REFORM LOWERS THE COST OF PRESCRIPTION DRUGS FOR MASSACHUSETTS SENIORS

Approximately 6 million seniors - 7,400 of whom live in the Fifth District - currently fall into the Medicare 'donut hole', the gap in which prescription drugs are not covered. This bill ensures those seniors will see that gap in coverage completely closed over time, saving seniors in the Commonwealth \$1.6 billion in drug costs.

Seniors who fall into the donut hole this year will see a \$250 check in the mail this September to help pay for their drug costs, which will provide temporary relief. Beginning in 2011, seniors who fall into the donut hole will be able to buy brand-name drugs at a 50% discount. This bill phases in additional discounts for brand-name and generic drugs to close the donut hole completely by 2020.

HEALTH CARE REFORM ENSURES THAT MASSACHUSETTS RESIDENTS GET FREE PREVENTIVE SERVICES

Health care reform eliminates out-of-pocket expenses (including co-pays and deductibles) for seniors on Medicare who access preventive services like checkups, mammograms, vaccinations, etc. This means that seniors on Medicare will be able to access preventive services for free. Eventually, all private plans will have to cover preventive services for free as well, which means seniors who are not yet on Medicare will also be able to benefit from this change.

HEALTH REFORM ELIMINATES HARMFUL INSURANCE INDUSTRY PRACTICES

Although Massachusetts has been ahead of the nation in regulating insurance industry practices that hurt patients, like denial of coverage based on pre-existing conditions, that prohibition does not apply to all of the residents of the Commonwealth. 50% of Massachusetts residents have coverage through an employer who self-insures and therefore do not have the benefit of these regulations. Additionally, insurers in Massachusetts who are subject to the prohibition on pre-existing conditions can exclude coverage for that condition for up to 6 months. This means patients in Massachusetts can go without health insurance for exactly the medical services that they need for half a year, paying entirely out-of-pocket to get treatment.

PROHIBITS PREEXISTING CONDITION EXCLUSIONS OR OTHER DISCRIMINATION BASED ON HEALTH STATUS.

This bill ensures that no group health plan or insurer offering group or individual coverage may impose any

pre-existing condition exclusion or discriminate against those who have been sick in the past, or because of health status, medical condition, claims experience, receipt of health care, medical history, genetic information, and evidence of insurability – including acts of domestic violence or disability. This provision is especially important for seniors because most seniors *do* have medical conditions and a history of treatments that insurers are currently allowed to consider “pre-existing conditions” and deny coverage for. This only gets worse as a person gets older, and accumulates more of a medical history. This bill ensures that insurers can never do that again, and applies it uniformly throughout plans in Massachusetts.

PROHIBITS ANNUAL AND LIFETIME LIMITS ON COVERAGE BY ALL HEALTH PLANS. This bill prohibits insurers from denying coverage after a certain pre-determined “cap” on benefits has been exhausted.

PROHIBITS RECISSIONS. This bill prohibits insurers from refusing to renew coverage or revoking coverage arbitrarily, including when an individual makes a claim.

HEALTH REFORM WILL INCREASE THE NUMBER OF PRIMARY CARE DOCTORS AND NURSES

HEALTH CARE REFORM EXPANDS GRANTS, SCHOLARSHIPS AND LOAN FORGIVENESS PROGRAMS FOR PRIMARY CARE PHYSICIANS AND NURSES IN MASSACHUSETTS. The Commonwealth faces a shortage of primary care physicians and nurses. The major reason medical school graduates do not go into primary care is because they graduate with a large debt, and primary care does not pay well in comparison to other specialties in medicine. This bill makes a significant investment in getting more primary care physicians and nurses to enter the health care workforce, by expanding and increasing loan forgiveness programs, grants, and scholarships for both nursing graduates and medical school graduates who want to go into primary care.

HEALTH CARE REFORM INCREASES MEDICAID PAYMENTS TO PRIMARY CARE PHYSICIANS. This bill increases Medicaid reimbursements to primary care physicians. This makes it more financially feasible for physicians to go into primary care, and ensure that low-income individuals who qualify for Medicaid coverage will have access to doctors and nurses so they can get the care that they need. This bill provides the state with a total of \$2.3 billion in increased federal funding to strengthen its Medicaid program.

HEALTH REFORM ENSURES THAT MORE MIDDLE CLASS FAMILIES IN MASSACHUSETTS WILL BE ABLE TO AFFORD HEALTH INSURANCE

HEALTH CARE REFORM PROVIDES AN ADDITIONAL \$2.4 BILLION DOLLARS IN SUBSIDIES FOR MASSACHUSETTS TO PROVIDE FINANCIAL HELP TO MIDDLE CLASS FAMILIES TRYING TO BUY INSURANCE. These are credits for families who do not currently qualify for subsidies through the Connector, but who will qualify because of national reform. It raises the income threshold of families who are eligible for subsidies from 300% of the federal poverty level to 400% of the federal poverty level – this means, for example, a family of 3 making up to \$73,240 a year will eligible for subsidies to help purchase health insurance.

HEALTH REFORM PROVIDES IMMEDIATE RELIEF TO SMALL BUSINESSES IN MASSACHUSETTS

\$1 BILLION IN TAX CREDITS WILL BE AVAILABLE TO SMALL BUSINESSES IN MASSACHUSETTS to help them offer employee coverage. The bill provides a sliding scale tax credit to small businesses with fewer than 25 employees and average annual wages of \$50,000 or less that purchase health insurance for employees. The full 50% credit will be available to employers with 10 or fewer employees and average annual wages of \$25,000 or less. To be eligible for a tax credit, the employer must contribute at least half of the total premium cost.